SENATE, No. 3909



STATE OF NEW JERSEY

220th LEGISLATURE



INTRODUCED JUNE 1, 2023

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator LINDA R. GREENSTEIN

District 14 (Mercer and Middlesex)

SYNOPSIS

Establishes conditions for net metering for authorized food waste recycling facilities.

CURRENT VERSION OF TEXT

As introduced.



An Act concerning energy produced by authorized food waste recycling facilities and supplementing chapter 3 of Title 48 of the Revised Statutes.

Be It Enacted by the Senate and General Assembly of the State of New Jersey:

1. a. As used in this section:

“Authorized food waste recycling facility” means the same as the term is defined in section 1 of P.L.2020, c.24 (C.13:1E-99.122).

“Basic generation service provider” means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

“Board” means the Board of Public Utilities.

“Class I renewable energy” means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

“Electric power supplier” means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

“PJM” means the same as the term is defined in section 3 of P.L.1999, c.23 (C.48:3-51).

b. (1) Notwithstanding the provisions of subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87) or any other law, rule, regulation, or order, concerning net metering, to the contrary, an electric power supplier or a basic generation service provider shall offer net metering at a non-discriminatory rate to an authorized food waste recycling facility for any electricity generated, on the customer's side of the meter and using a Class I renewable energy source, at the authorized food waste recycling facility. If the amount of electricity generated by the authorized food waste recycling facility, plus any kilowatt hour credits held over from previous billing periods, exceeds the electricity supplied by the electric power supplier or basic generation service provider, then the electric power supplier or basic generation service provider, as the case may be, shall credit the authorized food waste recycling facility for the excess kilowatt hours until the end of the annualized period. If any kilowatt hour credit remains at the end of the annualized period, the authorized food waste recycling facility shall (a) be compensated by the electric power supplier or basic generation service provider for any remaining credits or, if the authorized food waste recycling facility chooses, (b) have the electric power supplier or a basic generation service provider credit the authorized food waste recycling facility on a real-time basis, at the electric power supplier's or basic generation service provider's published tariff rate for residential basic generation service, inclusive of sales and use tax, plus $0.03 per kilowatt hour.

(2) In the event that the facility elects not to receive a credit pursuant to paragraph (1) of this subsection, the authorized food waste recycling facility may:

(a) execute a bilateral agreement with an electric power supplier or basic generation service provider for the sale and purchase of the authorized food waste recycling facility's excess generation. The authorized food waste recycling facility may be credited on a real-time basis, if the authorized food waste recycling facility follows applicable rules prescribed by the PJM electric power pool for its capacity requirements for the net amount of electricity supplied by the electric power supplier or basic generation service provider; or

(b) enter into a contract to deliver or sell power to end-use customers that are located within the same electric public utility’s service territory as the authorized food waste recycling facility, and designate the end-use customer to be credited by the electric power supplier or basic generation service provider with the excess generation of the authorized food waste recycling facility. The authorized food waste recycling facility may designate the proportionate share of the excess electricity generated to credit each designated end-use customer.

c. An authorized food waste recycling facility engaging in net metering, pursuant to this section, shall comply with the safety and power quality interconnection standards adopted by the Board of Public Utilities pursuant to subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87).

d. The owner of an authorized food waste recycling facility who sells or delivers power to an end-use customer pursuant to paragraph (2) of subsection b. of this section shall not be considered a public utility pursuant to R.S.48:2-13 or P.L.1999, c.23

(C.48:3-49 et al.).

2. This act shall take effect immediately.

STATEMENT

This bill would specify that authorized food waste recycling facilities are able to engage in net metering and would establish conditions and compensation for those facilities.

Under current law, specifically subsection e. of section 38 of P.L.1999, c.23 (C.48:3-87), electric power suppliers and basic generation providers are required to offer net-metering to industrial, commercial, and residential customers. This bill specifies that authorized food waste recycling facilities would be eligible to engage in net metering. “Net metering” refers to an accounting, or billing, process that allows a customer that generates electricity from a Class I renewable energy source to receive credit on their utility bill for the electricity produced. An authorized food waste recycling facility is defined in law to mean “a Class C recycling center within the State authorized to accept, store, process, or transfer food waste or compostable material, pursuant to subsection b. of section 41 of P.L.1987, c.102 (C.13:1E-99.34).”

Under the bill, if the amount of electricity generated by the authorized food waste recycling facility (facility), plus any kilowatt hour credits held over from previous billing periods, exceeds the electricity supplied by the electric power supplier (supplier) or basic generation service provider (provider), then the supplier or provider, as the case may be, would credit the facility for the excess kilowatt hours until the end of the annualized period. If any kilowatt hour credit remains at the end of the annualized period, the facility would be compensated by the supplier or provider for any remaining credits or, the facility could choose to have the supplier or provider credit the facility at the applicable published tariff rate for residential basic generation service, inclusive of sales and use tax, plus $0.03 per kilowatt hour. Alternatively, if a facility chooses not to receive a credit, the facility would be able to: execute a bilateral agreement with a supplier or service provider for the sale and purchase of the excess generation; or enter into a contract to deliver or sell the power to end-use customers located within the same electric public utility’s service territory as the facility.